

Effects Of Entrepreneurial Orientation and Organisational Learning on Performance of Small and Medium Scale Enterprises in Southwest Nigeria

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Abstract: This study evaluated the effects of entrepreneurial orientation and organisational learning on performance of small and medium scale enterprises in southwest Nigeria. Specifically, the study investigated the effects of entrepreneurial orientation; examined the effects of organisational learning and investigated the mediating effects of organisational learning on the relationship between entrepreneurial orientation and performance. This research employed descriptive survey design through structured questionnaire which was administered to target respondents. Population of 25,715 small and medium scale enterprises is employed and a sample of 394 entrepreneurs was drawn using Yamane model. The study employed Stratified sampling technique. The study hypotheses were tested using multiple regression and hierarchical regression while respondent's demographic information was analysed via descriptive statistics. The findings of the study showed that entrepreneurial orientation has positive effect on performance. Furthermore, organisational learning significantly affects performance in which case all constructs were statistically significant except embedded system. Hierarchical regression test used for the third hypothesis revealed partial mediation effect of organisational learning on the relationship between entrepreneurial orientation and small and medium enterprises performance. The study concluded that entrepreneurial orientation and organisational learning are useful predictors of small and medium enterprises performance in Southwest, Nigeria.

Keyword: Entrepreneurial Orientation, Organisational Learning, SMEs Performance

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I. INTRODUCTION

The role of small and medium-scale enterprise (SMEs) in the national economy cannot be underestimated. These enterprises are being given increasing policy attention in recently, particularly in developing countries like Nigeria due to rising displeasure with results of development strategies focusing on large scale capital intensive and high import reliant in industrial firm (Zulkifli & Rosli, 2012). Although nowadays small and medium enterprises are essential part of the economic structure in developed countries and developing countries, and play an important role in bringing the innovation, economic growth and prosperity (Govori, 2013). Today's firm managers are faced with rapidly changing and swift increases in competitive environment in which micro enterprises are not exempted. Similarly, Zulkifli and Rosli (2012) posited that micro enterprises are facing more and more pressure from the marketplace and in order to cope with these challenges, an entrepreneurial approach to strategic decisions may be vital for organisational success. This is also emphasized by Bhardwaj, Agrawal and Momaya (2007) that many firms, in their effort to cope with challenges in their business environment, are increasingly turning to entrepreneurship as a means of innovation, growth and strategic renewal (Anlesinya, Eshun & Bonuedi, 2015). Taylor (2013) also posited that many countries particularly developing ones have recognised the value of small and medium sized enterprise. Generally, it has been noted and recognised that the activities of small and medium scale business in the light of economy sustainability, cannot be ignored. This is because small and medium scale business serves as a blood stream in the life of every nation's economy (Lyon, Lumpkin & Dess 2000; Fairoz, Hirobumi & Tanaka, 2010).

Organisational learning is one of the main, key and requirement factors of organization that wants to remain relevant in the present-day competitive environment. Thus, organizations who wish to equip her people with sustained relevance and productivity in order to deal with changes and have the ability to adapt with conditions and challenges must be able to institutionalize learning within the system (Sharifi & Eslamieh, 2008). Although individual members are the mechanisms through which organizational learning generally occurs, the knowledge that individuals acquire would have to be embedded in a supra individual repository for organizational learning to occur, these individuals must also through learning develop entrepreneurial skills. Being innovative and having internal locus of control are two characteristics by which individuals with

entrepreneurial orientation are qualified. In societies where individualism is high but power distance is low, innovativeness and internal locus of control are two common and essential features. Entrepreneurial disposition is a tendency that brings forth the behaviours related to entrepreneurial activity. Organisational learning where individualism is established and uncertainty avoidance is low is associated with the development of institutional arrangements, psychological traits and cognitive processes, which are also associated with the entrepreneurship (Pinillos & Reyes, 2011).

The growth of small and medium scale business in Nigeria has been hampered by a number of challenges over the years. Rodriguez (2003) posited that among these hurdles are: access to marketing, access to technology, entrepreneurial skill, government policies, land and location and access to financial support. However, Maliwatu (2004) argued that lack of entrepreneurial skill among present-day entrepreneurs is the bane of the problem. Issues can be seen from entrepreneurs themselves such as identifying opportunity and dealing with entrepreneurial skill which is the same as entrepreneurial orientation.

Organisational learning plays a major role in placing a start-up on a competitive edge (Chanshi, 2014; Salim & Sulaiman, 2011). It facilitates productivity and enhances resilience which creates the ability to adapt to varying business environmental factors through institutionalised sustainable learning system (Sharifi & Eslamieh, 2008). Maliwatu (2004) emphasized the fact that before an entrepreneur engages in a business venture, he/she should have the ability to identify opportunities in order to appropriately tap into it, nurture the business to maturity and be able to use organisational learning as a mediating strategy to promote entrepreneurial orientation towards improving overall business performance. It remains an undisputable maxim that knowledge is power. An entrepreneur gains knowledge of business management by leveraging on organisational learning towards improving entrepreneurial orientation (Hafeez, 2014). This mediating role of organisational learning on entrepreneurial orientation eventually results in increased performance of business operation.

Though a lot of researchers have written extensively on the roles of entrepreneurial orientation and organisational learning on the improvement of SMEs performance (Hafeez, 2014; Chanshi, 2014; Dada & Fogg, 2012; Salim & Sulaiman, 2011; Dharmadasa, 2009), much is yet to be done empirically on the mediating effects of organisational learning on entrepreneurial orientation towards achieving increased performance of SMEs particularly in Nigeria. The shortage of empirical work in this regards has resulted in the failure of many start-ups in the Southwest and Nigeria as a whole due to inadequate entrepreneurial orientation on the part of the entrepreneurs and insufficient understanding of organisational learning as a saving grace in achieving increased business performance (Onyema, 2014; Idowu, 2013; Covin, 2006; Shepherd, 2005). It therefore became imperative to evaluate the relevant skills required of an average entrepreneur to start and nurture a business to stability as well as establish the importance of organisational learning as a procedure for enhancing SMEs performance particularly in the absence or shortage of relevant entrepreneurial skills. This therefore became the focus for this research. The study aimed at evaluating the effects of entrepreneurial orientation and organisational learning on SMEs performance in Southwest Nigeria with additional interest in the mediating role of organisational learning on entrepreneurial orientation and performance relationship. The study served as reference material for training prospective entrepreneurs on factors influencing business success as well as skills required for optimal running of a business venture in Nigeria, especially in the Southwest. It thus remains a useful piece in the repository of entrepreneurship for future perusal of academics and researchers interested in understanding or furthering knowledge of organisational learning, entrepreneurial orientation and SMEs performance in southwest Nigeria.

II. LITERATURE REVIEW

Entrepreneurship

In presenting vivid understanding of the concept, entrepreneurship has been described in different terms. Wiklund, Daidsson, Audretsch and Karlsson (2011) defined entrepreneurship as a process of a self-employment with an uncertain return. Entrepreneurship can also be explained as the willingness to take calculated risk, both personal and financial, and doing everything possible to get the odds in your favour (Timmons, 1978). Recently, the concept of entrepreneurship has received increasing attention. According to Filser and Eggers (2014), entrepreneurship is the ability to create something from practically nothing; initiating, doing, achieving and building an enterprise or organization, rather than just watching, analyzing or describing one. In the volatile environments of developing countries characterized with many constraints, their role has become more important. These entrepreneurs should have the ability to bounce back in the face of sudden shocks springing from unpredictable business environments. Within this setting, it is crucial to discover whether there are specific characteristics that make the entrepreneurs more effective in such environments (Herath & Mahmood, 2014). In the same vein, Owoseni (2014) defined an entrepreneur as the one who creates or develop a new enterprise and exhibit characteristics of risk taking and innovation.

Entrepreneurial Orientation

Entrepreneurial orientation concept of a particular constituent means business needs risk-taking, innovativeness and pro-activeness at the same time, and each contribute normally to the entrepreneurial orientation of business (Kreiser, Weaver & Marino, 2002). In other words, all three dimensions need to taken care of at the same time for entrepreneurial orientation to increase (George & Marino, 2011). This single constituent was criticized because of the possibility of each variables being able to have different effects on the result variables such as performance, but it became the chance to apply multi-dimensional approach method as a measurement. Arguably, Babu and Manalel (2016) asserted that entrepreneurial orientation is considered to be a superior order construct with multidimensional measure of firm level entrepreneurship, comprising of innovativeness, pro-activeness, risk-taking, competitive aggressiveness and autonomy. Entrepreneurial orientation refers to the strategy-making processes that provide organizations with a basis for entrepreneurial decisions and actions (Rauch, Wiklund, Lumpkin & Frese, 2009). According to Lumpkin and Dess (1996), Entrepreneurial Orientation can be viewed as a set of psychological traits, values and attitudes strongly associated with a motivation to engage in entrepreneurial activities. In the same vein, Ejdays (2016) described entrepreneurial orientation as the basis of resource-based theory. This theory believed that the resources required to compete on the market are ultimately dependent on entrepreneurial orientation. Entrepreneurial organizations are autonomic, often aggressive towards competition, active, innovative and ready to take risks.

Dimensions of Entrepreneurial Orientation

Innovativeness: Boohene, Yiadom and Yeboah (2012) described innovation as the medium entrepreneurs may chart to produce new products and business opportunities. The most crucial attribute of entrepreneurs is the willingness to go away from the traditional methods of doing business. As posited by Covin and Slein (1990), entrepreneurship would not survive if avoid innovation. In their opinion, innovation is a firm's propensity to bring up new ideas, conducting tests and inventive processes earlier than business rivals. Innovation and creativity are conditions inherent in the role of entrepreneurship and reflect a firm's desire to develop methods that may result in new products, services, or technological processes. According to Dess and Lumpkin (2005), innovativeness is a process; innovation is the result of that process.

Pro-activeness: Pro-activeness as a measurement of entrepreneurial orientation is regarded as a forward-looking perspective revealed in action taken by firms in expectation of future demand (Lumpkin & Dess, 1996). In the same light, Rauch, Wiklund and Frese (2009) put forward that pro-activeness is future looking and opportunity seeking perspectives which allow firms to introduce new products and services ahead of their competitors and also acting in anticipation of future demand. According to Antoncic and Hisrich (2001), pro-activeness is the extent to which organizations attempt to lead rather than follow competitors in such key business areas as the introduction of new products or services, operating technologies, and administrative techniques.

Risk-Taking: Risk taking has long been linked with entrepreneurship (Yeboah, 2014). Cantillon (1755) defined entrepreneurs as a person who bears the risk of profit or loss. Risk taking has been viewed as a essential element of the entrepreneur and entrepreneurship. Risk-taking has been considered as a unique characteristic or dimension of entrepreneurship within existing firms (Covin & Slevin, 1989; Lumpkin & Dess, 1996). This posture of the entrepreneur as a risk taker continued to gain acceptance throughout the twentieth century, as McClelland (1965) posited that practically all theorists agree that entrepreneurship involves by definition, taking risks of some kind.

Organisational Learning

One of the most controversial concepts in Organisational Behaviour is organisational leaning where there are diverse definitions attributed to different authors (Scott, 2011; Lampela, 2009). The common characteristics include the fact that the concept is more than the sum of the individuals' learning; it includes both cognitive processes and activities within organizations (Beeby & Booth, 2000). In general, organizational learning is defined as the process by which organizations learn (Chiva, Alegre, & Lapiedra, 2007). This process is permeated by interactions between organizational members through the socialization of learning and practices considered as a collective achievement (Fiol & Lyles, 1985; Gherardi & Nicolini, 2002). Scott (2011) also defined learning in organizations as a multilevel process whereby individuals collectively acquire knowledge by acting together and reflecting together. Sharifi and Eslamieh (2008) described organizational learning as a set of organizational actions such as knowledge acquisition, information distribution, information interpretation, and memory that consciously or unconsciously affect positive development of an organization. Gilaninia, Rankouh, Gildeh (2013) posited that practices of organizational learning requires that leaders create an environment that all members of the organization as Learners, teachers and leaders flourish for increase of what they choose, they do and have the ability. Organizational learning is a set of organizational actions such as knowledge acquisition, information distribution, information interpretation, and memory that consciously or unconsciously affect

positive development of organization (Sharifi & Eslamieh,2008). When organizations learn from experience, new knowledge is created in the organization and the knowledge can then be retained so that it exhibits some persistence overtime. The purpose of learning is tendency of organizations to behave in participatory method for the use of learning opportunities. The purpose of learning is to determine the extent that organizations can learn. (Huang, 2010). In measuring organisational learning, six-construct dimensions of Organisational Learning were adapted from the works of Marsick and Watkins (2003); Leufvén, Vitrakoti, Bergström, Ashishand Målqvist (2015) and Song, Joo and Chermack (2009). The dimensions included continuous learning, inquiry and dialogue, team learning, empowerment, system connection and embedded systems. These items were subjected to expert vetting and corrections to ensure they measure accurately the intended variables.

Small and Medium Scale Enterprises (SMEs) Performance

Performance is an extensively used concept in many areas. Usually, performance is a measure of how well a process achieves its objective. Performance is claimed to be a multidimensional and complex construct that has been measured using an array of indicators (Stam, Souren, & Elfring, 2013). In organizational point of view, performance means how well the organization is managed and the value the organization convey to customers (Wu & Zhao, 2009). It is undisputable that one of the basic purposes of entrepreneurship is the enhancement of organizational performance (Mthanti, 2012). The performance requires impartiality to make the decision for goals (Dransfield, 2000). Entrepreneurial performance is the individual's ability to be effective in numerous careers to help accomplish better result in discussions to obtain business success. Entrepreneurial performance is to promote primary business concepts, developing new products, identifying market opportunities, make a modern environment, building healthy investor relationships, and also ready to react upon amazing market patterns (Lewicki, Barry, Saunders & Minton, 2003). The term "performance" can be used in different ways: firstly, it can imply an increase in the amount of output, productivity and sales (Li, 2008). Performance is defined as the extent to which a business, as a social system with certain resources, is able to accomplish its goals without being indebted to incapacitate its resources and means or putting excessive strain on its employees (Rodriguez, 2003). Hay and Kamshad (2006) found that, although most managers pursue growth, performance and follow expansionary strategies, the main limits on the performance of SMEs are the intensity of competition stemming from a variety of environmental variables, and the unwillingness of management to deal with the increasing administrative burden arising from expansion (Jakubczak & Rakowska, 2014).

III. METHODOLOGY

This study was carried out in southwest Nigeria. The research design adopted for this study was descriptive survey research design. Primary data used for the study was collected through the circulation of carefully designed questionnaires to the various small and medium scale business owners in southwest Nigeria. The population for the study consisted of small and medium scale business owners or managers in the chosen Southwest Nigeria which include Lagos, Oyo, Ogun, Ondo and Osun. The total population of SMEs in these States retrieved from the database of Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), 2013 is 25,715. From the six States that make up Southwest Nigeria, five States were chosen through purposive sampling method as representatives of the region because of their economic viability and SME population. The chosen SMEs cut across various industries including agriculture, manufacturing, wholesale/retail trade, ICT amongst others. Three hundred and ninety four (394) respondents were sampled from the overall study population using Yamani (1967) sampling model. To arrive at the sample to be taken from each stratum (State), stratified sampling technique was employed using Kumaran (1976) Model. Therefore, 179 questionnaires is distributed to respondents in Lagos State, 122 questionnaires is distributed to respondents in Oyo State, 27 questionnaires is distributed to respondents in Ogun State, 31 questionnaires is distributed to respondents in Ondo State and 35 questionnaires is distributed to respondents in Osun State. Hence, three dimensions (innovativeness, risk taking, pro-activeness) were used to measure entrepreneurial orientation as adapted from the studies of Lumpkin and Dess (2001); Covin (2006). Measures of organisational learning included six constructs (continuous learning, inquiry and dialogue, team learning and collaboration, empowerment, system connection, embedded systems) adapted from the works of Marsick and Watkins (2003); Leufvén, Vitrakoti, Bergström, Ashish and Målqvist (2015) and Song, Joo and Chermack (2009). For the purpose of this study, inferential and descriptive statistics were employed. The descriptive statistics which included frequency tables described the demographic variables of the respondents while inferential statistics through multiple and hierarchical regression analyses were used to test effects of the independent variables on the dependent variable and measure the mediating role of organisational learning on the relationship between entrepreneurial orientation and SMEs performance respectively.

Distribution of Questionnaire

Structured questionnaires for this study were administered to SMEs owners and managers in the selected States in southwest Nigeria including Lagos, Oyo, Ogun, Ondo and Osun States. A total of 394 questionnaires were self-administered by the researcher to the study respondents out of which 374 were returned indicating 95% return rate. The returned questionnaires contained 100% valid response as presented in Tables 1 below.

Table 1: Distribution of Questionnaire by States

SN	State	No Distributed	No Returned	% Returned
1	Lagos	179	174	46.5
2	Oyo	122	117	31.3
3	Ogun	27	24	6.4
4	Ondo	31	28	7.5
5	Osun	35	31	8.3
TOTAL		394	374	100.0

Source: Researchers' Field Survey, 2019

Descriptive Statistics Analysis of Responses

Table 2 presented the description of demographic information of respondents of the study. The analyses showed that 218 (58.3%) male and 156 (41.7%) female respondents took part in the survey. In terms of respondents' age, 6 (1.6%) respondents were of the age bracket 18-25 years, 48 (12.8%) were of the range 26-35 while 127 (34.0%) respondents fell within 36-45 age bracket. In addition, 163 (43.6%) of the respondents were aged between 46-55 and 30 (8.0%) were 56 years or above. As regards marital status of respondents', 121 (32.4%) respondents were single, 217 (58.0%) married, 24 (6.4%) respondents were divorced while 12 (3.2%) respondents were widow. On highest educational qualification attained by respondents, 36 (9.6%) possessed secondary education, 48 (12.8%) had vocational or technical certificate while 134 (35.8%) had NCE or ND certificate. In the same vein, 150 (40.1%) respondents attained HND or degree qualification as only 6 (1.6%) had postgraduate certificate. This result was reflective of the level of accuracy and valid responses in the questionnaires. Questions related to the age of business operation indicated that 54 (14.4%) of the SMEs have existed for 3 years or less, 169 (45.2%) have operated between 4-6 years while 66 (17.6%) have serviced customers for 7-9 years. More so, 79 (21.1%) of the businesses were aged between 10-12 years as 6 (1.6%) have been in existence for 13 years and above. The respondents for the study cut across various industries of the economy. 78 (20.9%) responses came from Agriculture, 90 (24.1%) from Trading and 41 (11.0%) from Property and Business Services sector. Similarly, 70 (18.7%) of the SMEs were into Educational services, 81 (21.7%) from the Manufacturing sector, 9 (2.4%) from ICT and 5 (1.3%) from Food and Beverages sector.

Table 2: Descriptive Statistics of Responses

S/N	Variable	Item	No of Respondents	Percent (%)
1	Gender	Male	218	58.3
		Female	156	41.7
		Total	374	100.0
2	Age (years)	18-25	6	1.6
		26-35	48	12.8
		36-45	127	34.0
		46-55	163	43.6
		56 & Above	30	8.0
		Total	374	100.0
3	Marital Status	Single	121	32.4
		Married	217	58.0
		Divorced	24	6.4
		Widow	12	3.2
		Total	374	100.0
4	Highest Education	Secondary	36	9.6
		Vocational/Technical	48	12.8
		NCE/ND	134	35.8
		HND/Bachelor Degree	150	40.2
		Postgraduate Degree	6	1.6
		Total	374	100.0

5	Business Age (years)	0-3	54	14.4
		4-6	169	45.2
		7-9	66	17.6
		10-12	79	21.2
		13 & above	6	1.6
		Total	374	100.0
6	Industry	Agriculture	78	20.9
		Trading	90	24.1
		Property & Bus Services	41	11.0
		Education	70	18.7
		Manufacturing	81	21.6
		ICT	9	2.4
		Food and Beverages	5	1.3
		Total	374	100.0

Source: Researcher’s Computation, 2019

Inferential Analysis of Hypotheses

In testing the study hypotheses, multiple regression was used to predict the influence of the independent variables (entrepreneurial orientation and organisational learning) on the dependent variable (performance). Likewise, the mediation role of organisational learning on the relationship between entrepreneurial orientation and SME performance was tested using hierarchical regression because the variables had significant relationship.

Hypothesis One

Entrepreneurial orientation will not significantly affect performance of SMEs in Southwest Nigeria

The results presented on Table 3 indicated from the model summary values of the regression analysis of entrepreneurial orientation on performance given as $R = 0.688$ and $R^2 = 0.396$ that there exists positive linear relationship among entrepreneurial orientation and SME performance. Consequently, R^2 value of 0.396 implied that the regression model explained 39.6% variance in SMEs performance with entrepreneurial orientation as predictor while 60.4% changes were accounted for by other extraneous factors outside the model coverage. The B values or regression coefficients of the independent variables indicated that they all showed positive relationship with SMEs performance which implies that an increase in magnitude of the independent variables caused increase in the value of the dependent variable. The p-value showed that all the constructs were significant predictors with innovativeness possessing the least p-value of 0.043. Decision making in favour of the alternate hypothesis was therefore taken based on the model F value of 43.243 at $p < 0.05$ significance level.

Table 3: Regression of Entrepreneurial Orientation against SMEs Performance

<i>Model</i>	<i>R</i>	<i>R²</i>	<i>Adj R²</i>	<i>F</i>	<i>B</i>	<i>Std Error</i>	<i>T value</i>	<i>P Value</i>
	0.688	0.396	0.381	43.243				
Constant					2.513	0.114	10.331	.000
Innovativeness					0.221	0.012	0.525	.043
Risk taking					0.442	0.033	7.533	.000
Pro-activeness					0.141	0.015	2.115	.011

Source: Field Survey, 2019

4.4.1 Hypothesis Two

Organisational learning will not significantly affect performance of SMEs in Southwest Nigeria

The regression output presented on Table 4 showed the model summary values of the regression analysis of organisational learning on performance as $R = 0.526$ and $R^2 = 0.294$ indicating that there exists positive linear relationship among the tested dimensions of organisational learning and SME performance. R^2 value of 0.294 implied that the regression model of organisational learning as predictor explained 29.4% variance in SMEs performance while 70.6% changes in the relationship were accounted for by other factors outside the scope of this model. The B values or regression coefficients of the independent variables indicated that they all showed positive relationship with SMEs performance which predicts proportional change in magnitude of both variables when altered. The p-values showed that all the constructs of organisational learning were statistically significant predictors of performance except embedded systems ($B=0.021$; $p=0.0721$) which

was not statistically significant. Based on the model fit information ($F = 23.314$; $p < 0.05$), the alternative hypothesis was accepted as a result of the overall significance of the model.

Table 4 Regression of Organisational Learning against SMEs Performance

<i>Model</i>	<i>R</i>	<i>R²</i>	<i>Adj R²</i>	<i>F</i>	<i>B</i>	<i>Std Error</i>	<i>T value</i>	<i>P Value</i>
	0.526	0.294	0.095	23.314				
Constant					3.752	0.204	18.388	.000
Continuous Learning					0.452	0.026	1.571	.004
Inquiry and dialogue					0.356	0.022	4.543	.012
Team learning and collaboration					0.411	0.012	2.233	.003
Empowerment					0.510	0.055	1.361	.000
System connection					0.044	0.091	5.521	.0134
Embedded system					0.021	0.212	7.111	.0721

Source: Field Survey, 2019

Hypothesis Three

Organisational learning will not significantly mediate the effects of entrepreneurial orientation on performance of SMEs in southwest Nigeria?

Analysis of the mediating effects of organisational learning on the relationship between entrepreneurial orientation and SMEs performance was statistically analysed in Tables 5 and 6 with explicit highlight of the level of correlation among the exogenous and endogenous variables in order to ascertain the degree of mediation of the intervening variable (organisational learning). Analysing the mediating effects of organisational learning on relationship between entrepreneurial orientation and SMEs performance was achieved through Hierarchical Linear Modelling (HLM). HLM involves a set of statistical algorithms for comparing different models to establish magnitude and direction of effects exerted by the variables. This involved two basic models with the first (model 1) analysing the direct effects of entrepreneurial orientation on SME performance and the second model (model 2) testing the indirect effects of organisational learning as intervening variable on the relationship between entrepreneurial orientation and SME performance. The results were presented in Tables 5 and 6 as follows.

Table 5 Correlation and Collinearity Test of Variables

	<i>Correlations</i>			<i>Collinearity Statistics</i>	
	<i>Zero-order</i>	<i>Partial</i>	<i>Part</i>	<i>Tolerance</i>	<i>VIF</i>
Model 1					
Innovation	.191	.134	.131	.895	1.118
Risk taking	.177	.198	.195	.812	1.232
Proactivity	.176	.082	.180	.784	1.276
Model 2					
Innovation	.191	.155	.149	.883	1.133
Risk taking	.177	.122	.118	.767	1.304
Proactivity	.176	.268	.265	.770	1.298
Continuous learning	.285	.299	.195	.934	1.071
Inquiry and dialogue	.113	.119	.129	.928	1.078
Team learning and collaboration	.118	.126	.096	.937	1.067
Empowerment	.154	.164	.061	.962	1.040
System connection	.074	.100	.196	.923	1.084
Embedded system	.071	.077	.174	.976	1.025

Source: Researcher’s SPSS Output, 2019

The results of inter-variable correlation presented in Table 4.8 indicated that the first and most important condition for Hierarchical Regression Modelling was met as all variables were moderately correlated without any case of extreme correlation which could present a risk of multicollinearity. Also, the Tolerance of the variables exceeding 0.10 and VIF values below 10.0 created strong evidence that there was no multicollinearity in either of the models (Tabachnick & Fidell, 2007).

Table 6 Hierarchical Regression Models of SME Performance

<i>Model</i>	<i>R</i>	<i>R²</i>	<i>R² Change</i>	<i>B</i>	<i>T</i>	<i>Beta (β)</i>	<i>p-value</i>
Model 1	0.688	0.396	0.061				
Innovativeness				0.221	0.525	0.030	.043
Risk taking				0.442	7.533	0.427	.000
Pro-activeness				0.141	2.115	0.113	.011
Model 2	0.787	0.414	0.090				
Innovativeness				.087	2.986	.159	.003
Risk taking				.052	2.353	.134	.019
Pro-activeness				.024	1.304	.074	.003
Continuous learning				.048	2.892	.098	.009
Inquiry and dialogue				.019	2.481	.017	.000
Team learning and collaboration				.016	2.315	.013	.002
Empowerment				.012	2.219	.009	.005
System connection				.006	1.527	.005	.015
Embedded system				.003	1.201	.002	.0601

Source: Researcher’s SPSS Output, 2019

The results of Hierarchical Regression Analysis presented in Table 4.9 wrapped up the contributions of the independent variables and the effects of the mediator variables on SME performance. From the model summary, it was observed that model 1 with $R^2 = 0.396$ explained 39.6% variance in SME performance while after inclusion of block 2 variables the R Square value increased to 0.414 indicating that model 2 explained 41.4% variance in SME performance. Furthermore, the column R Square Change on model 2 plane with value of 0.090 indicated that organisational leaning dimensions (continuous learning, inquiry and dialogue, team learning and collaboration, empowerment, system connection and embedded system) explained additional 9% variance in SME performance after controlling for the constructs of entrepreneurial orientation (innovativeness, risk taking and proactiveness). This implied that organisational learning variables exert statistically significant (Sig. F Change = .000) but slight or partial mediation on the effects of entrepreneurial orientation on SME performance. In other words, the model supported partial mediation because the effects of entrepreneurial orientation in block 2 remained statistically significant after organisational learning was controlled (i.e both variables significantly predicted SME performance) but if entrepreneurial orientation was no longer significant after organisational learning was controlled, then full mediation ensued (MacKinnon, Fairchild, & Fritz, 2007). In the final adjusted model of the hierarchical regression, five out of six predictor variables of organisational learning (embedded system being statistically non-significant) were statistically significant, with continuous learning recording a higher Beta value ($\beta = .098$, $p < .05$) than the inquiry and dialogue ($\beta = .087$, $p < .05$) while system connection exerted the least change ($\beta = .005$, $p < .05$) in the model variance.

IV. DISCUSSION OF FINDINGS

Results from the regression analysis of hypothesis one clearly pointed out the salient dimensions of entrepreneurial orientation that exert significant degree of effects on SMEs performance. The outcome revealed that all variables of entrepreneurial orientation were statistically significant predictors of performance. Risk taking was observed to exert the highest magnitude of variation ($B=0.442$, $p=0.000$) on the dependent variable while proactiveness ($B=0.141$, $p=0.011$) exerted the least influence on performance. The managerial implication of this result is that risk taking as a dimension of entrepreneurial orientation is most important factor if performance of SME is to be improved by any manager. It further implies that proactiveness of entrepreneurs does not efficiently yield as much effect on performance as innovativeness in south-western part of Nigeria. Prospective entrepreneurs should therefore focus their attention on risk taking and other dimensions of entrepreneurial orientation for better performance results. This supports the findings of Anlesinya, Eshun and Bonuedi (2015). Also, greater efforts must be made by business owners and managers to inculcate the virtue of risk taking above every other criterion in their business operation in order to upscale performance. Next in relevance among the entrepreneurial orientation dimensions that must be ensured with concerted effort in daily business operation is innovativeness (Anlesinya, Eshun & Bonuedi, 2015; Mwaura, Gathenya & Kihoro, 2015).

The results from the regression analysis of organisational learning and SMEs performance clearly pointed out that all dimensions of organisational learning are statistically significant predictors of performance except embedded system. Empowerment ($B=0.510$, $p=0.000$) has the highest influence on SMEs performance while continuous learning ($B=0.452$, $p=0.004$) ranked next in variance magnitude. Team learning and collaboration ranked third ($B=0.411$, $p=0.003$) as inquiry and dialogue was in fourth position ($B=0.356$, $p=0.012$). System connection ($B=0.044$, $p=0.013$) showed lowest statistically significant effect on performance

as embedded system ($B=0.021$, $p=0.072$) was statistically non-significant. The managerial implication of this is that business owners and managers need to embrace empowerment of their workforce and provide employees with basic requirements for seamless operation as this impacts SMEs performance the most. A fulfilled employee eventually puts in best effort into his assigned duties resulting in improved business performance. Continuous learning also remains a paramount factor to consider as it ranks high in terms of impact on SMEs performance. This implies that learning process, especially on the job, must be tailored to the business culture. It is however worthy of note that embedded system exerts no significant effects on SMEs performance. This results indicate that the instituted system in the organisation to measure learning process has no direct link to the rate of increase in performance rating. This finding supports that of Marsick and Watkins (2003) and Idowu (2013) on the construct relationship.

Results from the mediation test of organisational learning on the relationship between entrepreneurial orientation and SMEs performance revealed that organisational learning significantly but partially influenced the effects of entrepreneurial orientation on performance. The weak effect of the intervening variable aggregate point to the fact that some dimensions of organisational learning only make negligible contributions to the mediation process. The managerial implication of this is that the organisational learning procedure employed by a business owner or manager can augment the impacts of entrepreneurial orientation on SMEs performance to yield the desired results. However, the findings suggest that only some dimensions of organisational learning be given priority attention for the results to be optimised. Top on this priority list of dimensions is continuous learning as well as inquiry and dialogue. This corresponds with the findings of Hafeez (2014) and Kasim and Altinay (2016) on the role of organisational learning as mediator in the relationship between entrepreneurial orientation and SMEs performance.

V. CONCLUSION AND RECOMMENDATION

The findings of this research showed that all dimensions of entrepreneurial orientation such as innovativeness, risk taking and proactiveness had significant contributions in the variance identified in SMEs performance. Also, dimensions of organisational learning like continuous learning, inquiry and dialogue, team learning and collaboration, empowerment, system connection had significant effects on SMEs performance except embedded system. Finally, results of the hierarchical regression modelling revealed statistically significant influence of organisational learning in the mediation of the relationship between entrepreneurial orientation and SMEs performance. From the results of the construct relationships, these recommendations were drawn for consideration by concerned parties:

- i. Stakeholders in the business parlance should endeavour to always take bold and brave decisions in implementing high risk projects with good prospect and embrace innovativeness in business operations.
- ii. Entrepreneurs should make it a priority to inculcate organisational learning culture in their business dealings to keep employees abreast industry developments and enhance business growth through self-development and improved sense of fulfilment.
- iii. From the positive result of the mediating role of organisational learning on entrepreneurial orientation/SMEs performance relationship, entrepreneurs and other stakeholders should always consider organisational learning as important factor necessary for augmenting observed shortcomings in entrepreneurial orientation in other to achieve improvement in SMEs performance.

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